

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: : CHAPTER 7
:
HP/SUPERIOR, INC. : CASE NO. 14-71797 - PWB
:
Debtor. :

NOTICE OF PLEADING, DEADLINE TO OBJECT, AND FOR HEARING

PLEASE TAKE NOTICE that on November 24, 2021, S. Gregory Hays, as Chapter 7 Trustee (“**Trustee**”) for the bankruptcy estate (the “**Bankruptcy Estate**”) of HP/Superior, Inc. (“**Debtor**”), filed his *Motion for Order: (A) Authorizing Settlement Between Trustee and the Internal Revenue Service under Federal Rules of Bankruptcy Procedure Rule 9019; (B) Establishing the Extent and Priority of the Lien Interest of the Internal Revenue Service in Accordance with the Proposed Settlement; and (C) Authorizing Trustee to Make Certain Distributions of Property of the Estate* [Doc. No. 269] (the “**Motion**”) with the Court. In the Motion, Trustee requests, among other things, an order from the Court approving a settlement agreement (the “**Settlement Agreement**”) between Trustee and the Internal Revenue Service (the “**IRS**” and with Trustee, the “**Parties**”).

Pursuant to the terms of the Settlement Agreement, *inter alia*,¹ the Parties agree that the IRS shall have a secured claim and lien in the Remaining Encumbered Funds² in the amount of

¹ The following is a summary of the Motion and the Settlement Agreement and is not intended to be comprehensive. To the extent that anything in this summary is contrary to the relief sought in the Motion or the terms of the Settlement Agreement, the request sought in the Motion and the terms of the Settlement Agreement shall control.

² Capitalized terms not defined in this Notice shall have the meanings ascribed to them in the Motion.

\$1,248,000.00 (the “**IRS Secured Claim**”). In addition, within five (5) business days of the Settlement Approval Order becoming a final order, Trustee shall pay the United States of America \$900,000.00 of the IRS Secured Claim from the Remaining Encumbered Funds (the “**IRS Secured Claim Payment**”). Moreover, effective upon the Settlement Approval Order becoming a final order, the IRS grants and conveys to the Bankruptcy Estate a carve-out from the IRS Secured Claim in the amount of \$348,000.00 (the “**Estate Carve-Out**”). Following the IRS Secured Claim Payment, and except for the Estate Carve-Out which will be free and clear and available for Trustee to distribute under 11 U.S.C. § 726, the IRS Secured Claim shall be fully satisfied. In addition, effective upon the Settlement Approval Order becoming a final order, the IRS proof of claim [Claim No. 19-2] (the “**Second IRS Proof of Claim**”) for post-petition withholding taxes shall be allowed as a Chapter 11 administrative expense claim, and the IRS will receive payment on the Second IRS Proof of Claim on a pro-rata basis with other holders of allowed Chapter 11 administrative expense claims. And, effective upon the Settlement Approval Order becoming a final order, the IRS shall not have a pre-petition lien or secured claim in the Post-Petition Medicaid Funds. Finally, within ten (10) business days of the Settlement Approval Order becoming a final order, Trustee and the IRS shall file a stipulation dismissing with prejudice the Adversary Proceeding styled as *Hays v. Department of Treasury – Internal Revenue Service* (Adv. Pro. No. 21-5048-PWB).

The Motion is on file with the Office of the Clerk, United States Bankruptcy Court, Suite 1340, 75 Ted Turner Drive, S.W., Atlanta, Georgia 30303, and can be reviewed during normal business hours. Alternatively, a copy of the Motion can be obtained: (i) via download from the Bankruptcy Court’s website at www.ganb.uscourts.gov for registered users of PACER and/or CM/ECF systems; or (ii) by written request to Trustee’s counsel (a) mailed to Michael J. Bargar

at Arnall Golden Gregory LLP, 171 17th Street, NW, Suite 2100, Atlanta, Georgia 30363, or (b) sent via email to michael.bargar@agg.com.

Pursuant to General Order No. 24-2018, the Court may consider this matter without further notice or a hearing if no party in interest files a response or objection within twenty-one (21) days from the date of service of this notice. **If you object to the relief requested in the Motion, you must timely file your objection with the Bankruptcy Clerk** at: Bankruptcy Clerk, U.S. Bankruptcy Court, Suite 1340, 75 Ted Turner Drive, S.W., Atlanta, Georgia 30303, and serve a copy on the Trustee's attorney, Michael J. Bargar, Arnall Golden Gregory LLP, 171 17th Street, NW, Suite 2100, Atlanta, Georgia 30363, and any other appropriate persons by the objection deadline. The response or objection must explain your position and be actually received by the Bankruptcy Clerk within the required time.

Please take further notice that the Court will hold an initial telephonic hearing for announcements on the Motion at the following number: toll free number 833-568-8864; Meeting ID 161 794 3084 at **10:00 a.m. on January 6, 2022** in Courtroom **1401**, United States Courthouse, 75 Ted Turner Drive, SW, Atlanta, Georgia 30303. Matters that need to be heard further by the Court may be heard by telephone, by video conference, or in person, either on the date set forth above or on some other day, all as determined by the Court in connection with this initial telephonic hearing. Please review the "Hearing Information" tab on the judge's webpage, which can be found under the "Dial-in and Virtual Bankruptcy Hearing Information" link at the top of the webpage for this Court, www.ganb.uscourts.gov for more information.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

Dated: November 29, 2021.

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By: /s/ Michael J. Bargar
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